## IV. Remarks

Responsive to the outstanding Examiner's Action, the Applicants have carefully studied the Examiner's comments. Favorable reconsideration of this application is respectfully requested in light of the claim amendments above and the following detailed discussion.

Claims 1-3 are pending in the application. Claims 1-3 are rejected. Claim 4 has been canceled. Claim 1 has been amended. A listing of the pending claims, along with a status indicator of each claim, appears above. Applicants have also amended the specification to describe that which is clearly depicted in the figures approved by the Examiner. No new matter has been added to the claims or the specification.

The Examiner has rejected claims 1-3 under 35 USC 102(e) as being anticipated by U.S. Patent No. 6,705,965 to Sullivan. For a claim to be anticipated, each and every element of the claim must be found either expressly or inherently described in a single prior art reference. MPEP § 2131.01 (citing Verdegaal Bros. v. Union Oil Co. of California, 814 F.2d 628, 631, USPQ2d 1051, 1053 (Fed Cir. 1987)).

Applicants have amended claim 1 to require, among other features, "a substantially vertically oriented locking mechanism extending substantially perpendicularly through said differential carrier to selectively secure said input bearing adjuster to said differential carrier." The input bearing adjuster of claim 1 has been clarified to be a horizontally oriented input bearing adjuster for directional comparison with the locking mechanism.

The Examiner has indicated structures 114 and 128 comprise a locking mechanism in Sullivan. These structures, however, are not substantially vertically

oriented and they do not extend substantially perpendicularly through the differential carrier as required by amended claim 1. It is respectfully submitted, therefore, that Sullivan does not teach, either expressly or implicitly, a vertically oriented locking mechanism as now defined by amended claim 1.

Claim 1 has also been amended to indicate that the "input bearing adjuster is located entirely within said differential carrier." The Examiner has indicated structure 116 in Sullivan is an input bearing adjuster. The Examiner has also indicated structure 106 and a portion of 120 comprise a differential carrier. As best seen in Fig. 3 of Sullivan, structure 116 is not located entirely within structures 106 and 120. Based on the above, it is respectfully submitted that Sullivan does not teach, either implicitly or explicitly, an input bearing adjuster located entirely within a differential carrier.

The Examiner also rejected claims 1-3 under 35 USC 103(a) as being anticipated by Sullivan in view of U.S. Patent No. 4,273,391 to Asberg. According to the MPEP, "[t]o establish a prima facie case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine the reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all of the claim limitations." See MPEP 2143 (emphasis added).

It is respectfully submitted that the Examiner's combination of references do not teach or suggest all of the claim limitations of amended claim 1. For example, Asberg and Sullivan in combination do not make obvious a vertically oriented locking mechanism extending substantially perpendicularly through the differential carrier to

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selectively secure the input bearing adjuster to the differential carrier, as also now

required by amended claim 1. Sullivan's failure to make obvious this feature is clear

from the discussion above. Asberg also does not make obvious this feature, even when

combined with Sullivan, as Asberg only teaches a nut 10 arranged on the screw thread of

the bearing. In light of the Examiner's combination of references failing to teach or

suggest all of the limitations of the claim, it is respectfully submitted that the current 35

USC 103 rejection does not make obvious amended claim 1.

In light of the above discussion, independent claim 1 of the present invention is

patentable. Furthermore, claims 2-3 each depend on claim 1, either directly or indirectly,

and contain all of the limitations thereof. Therefore, because claim 1 is patentable and

claims 2-3 each depend on claim1, claims 2-3 are patentable over the cited references.

In light of the remarks and amendments discussed above, it is believed the claims

are now in condition for allowance and an early Notice of Allowance is respectfully

requested.

Should the Examiner wish to modify any of the language of the claims,

Applicants' attorney suggests a telephone interview in order to expedite the prosecution

of the application.

Respectfully submitted,

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